
MINISTERIAL STATEMENT

COVID-19 TASMANIAN SOCIAL AND ECONOMIC SUPPORT MEASURES

26 March 2020

Madam Speaker,

Today, I wish to provide Members with an update on the Tasmanian Government's response to addressing the impacts of COVID-19 pandemic on our community.

This is a rapidly moving situation and there have been many changes since I last formally updated the House on 17th March, and it is important to update members on developments since then.

As well, I would like to detail to the House the next stage of our Social and Economic Support Package.

I want to thank my Cabinet and every member of my team and staff for their support through this period.

I also want to express my thanks to this Parliament, its members and the staff who support us.

We have a long way to go and I know that whilst we will not always agree on the steps that are taken I do know that every person in this place is of a single mind and that is that we want the best for the people who have entrusted us to be their representatives.

Our State is currently facing an unprecedented health and economic challenge and the Package I will be announcing today is necessarily equally unprecedented in terms of both its scale and breadth.

Our Plan

Madam Speaker,

But first, I want to very clearly lay out our plan to get our State through this crisis.

Keeping Tasmanians safe and secure during the coronavirus outbreak is our number one priority.

Being an Island state, we have a unique chance to control the coronavirus.

To date, we are fortunate that we have not had the same level of the coronavirus in our community as other states.

We have gone hard and gone early with strong border protection measures, which are being enforced.

As well, forced business closures and restrictive social gathering rules are reducing public interaction to minimise the possible spread of the virus.

We are aggressively tracking, tracing and isolating those who have contracted the virus and their close contacts.

Already we have shut down significant parts of our economy to limit the social interactions and physical contact we have with our fellow Tasmanians.

Thousands of businesses have been closed and tens of thousands of Tasmanians have lost their jobs but if these actions work, there is a chance that we can get through this without the need for even tougher, more economically and socially destructive lockdown measures.

And then, hopefully, just as we were the first State to shut our borders, we can lead the nation in beginning to return to normal again once we contain the virus.

As always, our plan is based on what is in the best interests of Tasmanians and we will do what we think is best for Tasmania, not necessarily what is being done elsewhere.

But Madam Speaker,

This plan can only work if everyone plays their part by taking personal responsibility and by following the rules. Limit your contact with other people.

If you follow the rules, you dramatically reduce the risk of catching the virus, and you dramatically reduce the risk of spreading it.

If you need to go out, to work or to the supermarket or corner store, practice good social distancing.

But my message is clear if you don't need to go out just stay at home.

If out working or because you need to go to the shops

Stay a minimum 1.5 metres away from other people

Avoid physical contact

And wash your hands – properly – with soap and water for at least 30 seconds.

Please follow the rules because it will help us to save your life, the lives of those you love, your family and our community and importantly if you are not working or needing supplies simply stay home.

Madam Speaker,

I do want to be very clear, we will move to a harder lock-down if required if the rules aren't followed.

However if possible I absolutely want to try and avoid a harder, a more destructive economic and social lock-down.

The reason for this is, I don't want to inflict more harm on our community than we need to defeat the coronavirus.

The forced sacking of tens of thousands of our fellow Tasmanians this week at the stroke of my pen broke my heart.

Tasmanians, do not let their sacrifice be in vain.

Follow the rules and save Lives.

Madam Speaker,

I have already thanked members in this place for their support and assistance and it is important to explain that in the current environment three pieces of Budget related legislation have been urgently be passed by the Parliament, including a Supplementary Appropriation Bill for this Budget year and two Supply Bills in relation to the 2020-21 Budget year.

In addition, further urgent legislation has also passed through this house to ensure the State Government and Tasmanian Councils have the ability to ensure continuity of services as our response develops.

I want to thank all Members of this House and the other House for dealing with all Bills swiftly and responsibly.

These Bills are designed to provide the necessary flexibility to allow the State Government and local councils to respond quickly and effectively to this unprecedented public health emergency.

They allow us to take account of the advice from experts, and act promptly, to make decisions and provide assistance to the community in a flexible manner.

I thank the house for their trust and support-we will use these powers wisely and only as intended.

Tasmanian and Australian Government Support

Madam Speaker, we are all very aware of the escalating impact the global and national situation is having on our State.

While our Government's priority is looking after the health, wellbeing and safety of all Tasmanians, we know additional steps must be taken to help support and protect Tasmanian businesses and jobs, and to support those who have lost their jobs and livelihoods.

Last week, my Government announced a \$420 million support package aimed at sustaining our strong economy and keeping Tasmanians employed. As I outlined, this was the first stage of support and the package includes a range of initiatives to assist businesses and individuals in need.

Last weekend we were pleased to welcome the Australian Government's announcement of the second stage of its economic support plan that provides a further \$66 billion to support the economy, keep Australians in work and businesses going where possible, and provide a vital safety net for those who have lost their jobs.

We were pleased to see this package has a significant focus on measures to help small and medium sized businesses.

The Reserve Bank of Australia has also announced a package that will put downward pressure on borrowing costs for households and businesses.

However in these unprecedented times we must do more.

Second Tasmanian Social and Economic Support Package

Madam Speaker,

My primary task today is to update the House on the next stage of our Social and Economic Support Package.

I expect that as these circumstances continue to develop that more support will be required and we will respond quickly as need arises.

Combined with stage one that I announced last week, the total value of our response to date will be nearly \$1 Billion.

The Package has four elements – Health, Business, Households and Individuals and the Community.

Health

Madam Speaker,

Our health professionals need support-they are the front line. My message to health is and will remain spend what you need to save Tasmanian lives. In the bills that were passed this week we have established a provision of \$150 million and if that is not sufficient to combat this disease we will spend more.

We must also ensure that we can support our primary health network to support our community.

We will increase the funding to public health services and GPs by a further \$3 million dollars, bringing total assistance to \$5 million. This will assist GPs, pharmacists and dentists to obtain the necessary supplies and take the necessary measures to protect themselves and our wider community in coming months.

Madam Speaker,

For many Tasmanians this is an incredibly stressful time, likely to be exacerbated by long periods of relative isolation.

So, to support the wellbeing and mental health of Tasmanians during this period, an additional \$3 million will be added to the initial \$1 million provided in our first Stimulus Package, including support to establish a dedicated 1800 phone number to allow the Tasmanian community to call in and receive psychosocial support;

We will supply increased capacity to provide mental health advice, support and referral for vulnerable Tasmanians living in rural areas as well as targeted support for Tasmania's migrant community and other vulnerable groups.

Business

Madam Speaker,

There are more than 38,000 small business and sole traders in Tasmania – they are the backbone of our economy.

We want to do everything we can to support these business to survive the corona crisis and come out the other side.

Small business support measures in the new Package include:-

- o Quarterly relief on electricity bills to all small business customers on Tariff 22, 94, 88 or 75, including those small businesses on market contracts that could access those tariffs. This waives altogether the payment of their first quarterly electricity bill issued on or after 1 April 2020 for energy consumed in the previous billing period.
- o Small business customers who receive the electricity waiver, will also receive a waiver on their first quarterly water bill issued on or after 1 April 2020.
- o For all businesses on regulated tariffs, electricity prices will be capped for 12 months.
- o Water and sewage prices will also be frozen for 12 months.

Madam Speaker,

Last week I wrote to all Local councils and requested that they do what they can to support their communities and proposed that a freeze on general rates as well as other fees and charges occur for the next 12 months. I have had very constructive discussions with LGAT on this matter and I am certain that in coming days our local Government sector will also step up and provide significant support to those who are affected as well.

To assist the sector we will provide an extension of the \$50 million interest free loan scheme that I announced in our support package last week to \$150 million.

Madam Speaker,

- o The Government will also waive fees, charges and taxes including land tax for 2020-21 for businesses shut down or severely impacted as a result of the recent restrictive directions implemented. Estimated to be in the order of \$20 million.
- o For our small businesses, the \$20 million interest-free loans introduced in our first Stimulus Package will be increased to \$50 million and the eligibility for business loans will be extended and available to all businesses with a turnover under \$10 million per annum.

- o The Government will also establish a \$40 million small business grants program. To be administered by the Department of State Growth, the program will comprise a \$20 million emergency grants program of \$2,500 that provides immediate cash support for businesses suffering financial hardship; and a \$20 million larger grants program.

These grants will be available to all small businesses who have suffered financial hardship as a result of COVID-19 restrictive measures imposed.

- o We will provide an additional \$750,000 to provide business continuity and accounting advice to small businesses, ensuring they have authoritative advice on cash flow management and business options. This includes \$50,000 to support the Small Business Council of Tasmania to assist their members to navigate the assistance available to them.
- o \$200,000 will also be provided to the Rural Financial Counselling Service for the extension of financial counselling and support services to provide helpful advice and guidance and small and micro-businesses and sole traders, especially in our regional areas.
- o \$150,000 to boost the Digital Ready for Business Program to help small businesses understand the most effective ways to successfully take their business online via targeted one-on-one coaching and advice.

Madam Speaker,

The tourism and hospitality sector has borne the brunt of the economic hit.

- o So in addition, the Government will provide an additional \$200,000 to the THA to provide targeted business continuity, cash flow and accountancy advice to tourism and hospitality businesses.

Madam Speaker,

Also very hard hit, but somewhat “under the radar”, has been our creative and cultural industries.

So to businesses in that sector, we will be providing \$1.5 million in support including an Arts and Screen Digital Production Fund to enable Arts and Screen Tasmania to commission excerpts of digital versions of now cancelled or postponed performing arts events, as well as supporting recording projects of music ensembles and support for contemporary musicians to record music and video for digital distribution and business re-launch. In addition, arts organisations who had been in receipt of a single year or final year of funding will have their funding extended for a further 12 months.

Madam Speaker,

We also understand that many small business and sole traders rely on using motor vehicles, so

- o For our taxi industry who are also hurting in the wake of tourism and hospitality closures, the Government will waive annual taxi licence fees for the calendar year 2020, supporting hundreds of taxi plate owners and owner-operators.
- o For a taxi licence in Hobart or Launceston, this will provide annual fee relief of \$710, and where licence fees have already been paid, a refund will be provided.
- o We will waive registration and the road component of motor tax fees for heavy vehicles where those businesses have been severely impacted, and in addition, businesses that have closed can apply to suspend vehicle registrations and then re-activate them when they reboot.
- o The total support is estimated to be around \$20m

Madam Speaker,

Our medium-sized and larger business have also been hard hit. So:

- o The four month waiver of payroll tax for the hospitality, tourism and seafood sectors announced in the first Tasmanian Stimulus Package will be extended to ensure that these industries pay no payroll tax for the entire 2019-20 year.
- o The three month waiver of payroll tax for all Tasmanian businesses with a payroll of up to \$5 million which are impacted by COVID-19 will be extended to ensure that these businesses also pay no payroll tax for the entire 2019-20 year.
- o Both of these measures together will cost approximately \$75 million to assist with paying their loans, restructuring and meeting employee costs and benefits and importantly will provide an immediate cash injection.

Air Freight

Madam Speaker,

The maintenance of our supply chains at this time is absolutely essential.

- o The Government is working with potential service providers to secure a direct international air freight service from Tasmania, and with the Australian Government to establish solutions for freight across a network of essential aviation routes within Australia.
- o An international air freight service, if established, is expected to primarily be a market-driven model, with anticipated demand exceeding available capacity. We have allocated \$1 million in funding to partner with our exporters to establish this service.

Bass Strait Islands Support

Madam Speaker,

Air transport from Melbourne and Northern Tasmania is critical to maintaining essential access to King and Flinders Island, including essential consumer goods for Island residents. The Government will provide up to \$1.6 million to underwrite the maintenance of essential air services to the Islands for the next three months.

Madam Speaker,

And finally, our fisheries industry. This sector was the first to be hit by the coronavirus when it shut down exports to China just before Australia Day, and the pain continues.

So for our fisheries industries, the Government will provide \$1.8 million for initiatives including –

- \$604,000 for fee relief for a range of wild fisheries licence fees, including commercial dive, scallops and fishing vessels;
 - \$427,000 for licence and rental fees relief for shellfish farming for 12 months; and
 - \$770,000 for ShellMAP Program fee relief.
- These initiatives are in addition to a 12-month waiver for annual fees for rock lobster, giant crab, fin fisheries and abalone divers which has a full cost of \$3.7 million.

Households and Individuals

Madam Speaker, with businesses being forced to close down and people losing their jobs, unprecedented pressure is being put on household budgets.

So in response, we are taking a number of significant measures:

Electricity relief

- For all households, businesses and community sector organisations on regulated tariffs, electricity prices will be capped at for 12 months. The cost of the electricity relief measures in this package are expected to be around \$41 million.
- A \$5 million fund has been established by Aurora to assist customers with bill relief, waiving fees or charges, freezing debt, payment plans, in addition to a range of other support measures. Aurora will deliver this through a dedicated COVID-19 response team.
- In further support of Tasmanian residential and small business customers, I can also confirm that Aurora Energy will not be disconnecting any residential or small business customers, without their agreement during this crisis.

Water/sewerage relief

- o For all household customers and the community sector - water prices will also be frozen for 12 months.
- o The cost of water and sewerage relief measures in this package will cost an estimated \$37 million.

Rates Relief

- o As mentioned earlier we are working very closely with Local Government to enable Councils to freeze 2020-21 rates at 2019-20 prices.
- o We will be freezing the Community Fire Service Contribution that is paid by households on their rates, while ensuring the Government will continue to invest in emergency and fire service capabilities. This measure will cost \$4 million.

Government fee relief

- o We will freeze all Government fees subject to the Government Fee Units Act for both households and businesses for the 2020-21 year, costing \$500,000.

School levies

Madam Speaker,

It makes no sense to charge parents for the usual school levies for what is clearly going to be a severely disrupted school year.

- o So to further assist parents, the Government will also be refunding school levies for students attending a government school. This initiative is estimated to cost an additional \$13 million.

Rapid Response Skills Initiative

Madam Speaker,

Supporting displaced workers is also very important.

- o Individuals who have been stood down or lost their jobs will be able to access immediate support to connect to work or training.
- o Through the Government's Rapid Response Skills Initiative, up to \$3,000 will be available to individuals to gain new skills or licences to help them into a new role, and businesses that have immediate job needs and opportunities will be able to access a job-ready pool, including to match people to immediate priority skill needs, such as in health and food retail industries. \$6.3 million will be available for this initiative.

Community

Madam Speaker, it is vital that we support our community and our community sector at this time.

Community Support Fund

- o In addition to the community support measures announced in our first Stimulus Package, the Government will be providing an additional \$5 million to enable community sector organisations to support vulnerable people in our communities.
- o These measures will include an additional \$1 million for emergency accommodation, on top of the \$1 million already announced in our first Stimulus Package.
- o \$800,000 for emergency food relief to assist in the production of ready-to-eat nutritious meals and also increasing delivery frequency across the State, including increased support for the elderly and most vulnerable.
- o \$350,000 to TasCOSS to ensure a joined-up and connected community sector response, including helping ensure frontline community sector staff can keep services open or adapt their business model to continue to deliver services for the most vulnerable as well as an Essential Technology Fund to enable community sector organisations to access technology to continue to deliver vital support services to vulnerable Tasmanians by phone or online, and work from home.
- o \$130,000 to Volunteering Tasmania to activate EV-CREW – the State's emergency network of registered volunteers. This funding will help support community sector organisations who rely heavily on volunteers, to assist them in supporting Tasmanians in self-isolation with food, medications and psychosocial support.
- o \$200,000 to support the Youth Network of Tasmania, the Council of the Ageing and Tasmanian Men's Sheds to help support young and senior Tasmanians, and men, respectively, through communications, phone assistance and helping to keep these vulnerable groups connected and safe, including from elder abuse.
- o \$260,000 for Community Transport Services Tasmania to maintain essential State-wide regional transport for the most vulnerable, including the frail aged, helping to support an additional 250 new consumers per week, through transport for shopping and medical appointments, or alternatively, delivery of food, medicines and social support. CTST would also recruit 10 additional FTE for this work.
- o \$700,000 for all Neighbourhood Houses (\$20,000 one-off for each of the 35 Houses) to continue to provide support in their own communities, assisting those in most need.

Madam Speaker,

- o In addition, we will provide an additional \$1 million to increase the provisions of the No Interest Loan Scheme, to enable the NILS network to significantly increase the provision of loans to those in need, to avoid turning to payday or fringe lenders for those in financial distress.

Family Violence

Madam Speaker,

An analysis of the impact of COVID-19 internationally indicates the prevalence of family and sexual violence can increase as households experience financial pressure from loss of income and social isolation requirements increase.

While our own data analysis shows no current spikes, we are increasing funding by an additional \$2.7 million, including \$1.9 million to increase the capacity of the Safe at Home family violence integrated criminal justice system, with more funding for the Family Violence Counselling and Support Service, the Safe at Home Coordination Unit, court support and liaison services, legal practitioner support services, and specialist family violence police prosecution services. Funding will also be provided to increase the Rapid Rehousing Pool by 20 additional properties for a 12 month period and to provide specialist family violence and sexual assault support services to increase operational capacity.

Madam Speaker, for the child safety system, we will provide an additional \$2.5 million to enhance child safety and wellbeing, including funding for the Child and Young Person in Care Fund to ensure children and young people have internet access and mobile technology for communication and home learning. \$1.2 million will be provided for an enhanced After Hours Response Service to deliver additional after hours support to children and families at risk. Support will also be provided to establish an informal kinship carer liaison and support function, providing grandparents and other informal kinship carers with access to necessary advice and support when they require it.

Madam Speaker, the COVID 19 emergency bill currently proceeding through the Parliament will provide protection to tenants in financial distress.

- o In terms of social housing, the Government will not increase rent for social housing tenants over the next six months, and will not take Federal or State Government emergency assistance payments into account when calculating income for this period. This leaves more money in the hands of low income Tasmanians.
- o In addition, we will add up to 75 homes to the Private Rental Incentive Scheme for two years, at a cost of \$2 million. The Scheme offers landlords an incentive to lease their homes for a two-year period at a rental that is set at an affordable level for clients from the Social Housing Register.

Sport and Recreational Clubs

Madam Speaker, not even our sports and recreation sector has been spared, with virtually all competitions going into recess.

- o So, for our community sports and recreational clubs, the Government will provide \$2 million for a grants program to support the ongoing viability and operation of sporting clubs and associations.

RSLs

Madam Speaker,

- o The Government will also provide \$500,000 for grants of up to \$10,000 to commercial trading RSL sub-branches and ex-serving organisations impacted by COVID-19.

State Sector

Madam Speaker,

Our own State Service workforce is at the very frontline of fighting this battle, supporting those who support us is one of our highest priorities.

- o Employees who are not unwell but are required to self isolate or to not attend work do not have to apply for, or access, any form of leave for the isolation period, and are to be paid their normal salary including regular allowances for the duration of the absence.
- o Working from home arrangements will be encouraged and implemented in these circumstances where possible.
- o We are also making provision for employees to access special leave when their personal leave entitlements have been exhausted and who are unable to access flexible working arrangements, such as working from home.
- o In addition, we will be providing casual State Service workers with access to two weeks paid special leave should they be directed to self-isolate.

Conclusion

Madam Speaker,

My Government understands that this is continuing to be a difficult time for communities across Tasmania, and specific groups within our community will be affected in different ways than others.

Many people are working night and day to assist with our effort and I want to say this.

Wherever you are in our community I want to acknowledge and thank you for your efforts.

It's what Tasmanians do at times like this.

It's what makes our state so special, and it's what stands us in such good stead for the fight ahead.

I would like to say a sincere thank you to all of our staff across government who are managing our response to the pandemic.

Our health professionals who are doing an incredible job on the frontline delivering health services and our teachers, who continue to provide high quality education even in the face of great uncertainty.

To you all, I offer my sincere thanks for your hard work and dedication.

My team will continue to work on this urgent priority and will be responsive to advice to ensure that our response is focused on protecting the health and wellbeing of all Tasmanians.

The sole focus for our Government during the coming weeks and months will be on supporting the Tasmanian community, businesses and industry to get through these difficult times as we all respond and adapt to the COVID-19 pandemic.

As such, our work will focus on tasks that are essential to responding to this unprecedented public health emergency, and continuing the delivery of essential government services.

I will continue to keep the House and the people of Tasmania updated on our response to COVID-19 in the coming days, weeks and months.

This crisis will end; we will get through this.

But to get there, I ask all Tasmanians to hear this simple message: Follow the rules and Save Lives.